



# FACT SHEET: Planning Reports and Project Scopes

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## Purpose

This fact sheet provides an outline of the Planning Report and Project Scope services provided by Ergon Energy for a Major Customer connection project<sup>1</sup>.

It is intended to assist Major Customers that are seeking a new connection, or modification of an existing connection, to Ergon Energy's Distribution Network, and provides general information on the intent and content of these reports.

## Glossary

**Distribution Network:** Ergon Energy's electricity distribution network.

**Major Customer:** In this Fact Sheet, refers to a person intending to submit an application to connect to Ergon Energy (for either a new connection or modification of an existing connection) where the acceptance of that application and completion of necessary works will result in that customer being classified by Ergon Energy as any of an ICC (Individually Calculated Customer), CAC (Connection Asset Customer) or EG (Embedded Generator) in accordance with Ergon Energy's pricing proposal available on the [Network Tariff](#) section of Ergon Energy's [website](#).

**Planning Report:** A high level document that reviews the specific Major Customer connection and sets out up to three options for the connection arrangements, taking into account the relevant characteristics of Ergon Energy's electricity distribution network in that area.

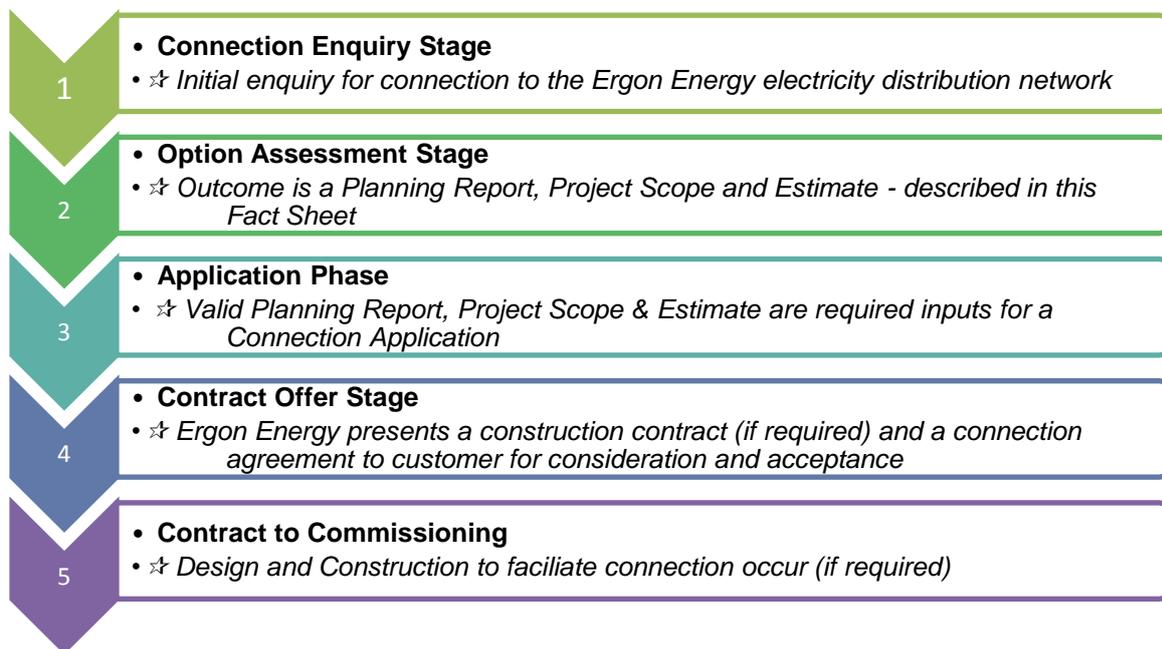
**Project Scope:** An intermediate level document that sets out, for the preferred option from the Planning Report, the relevant works, timeframe and a cost estimate for that option.

**Service Provider:** An entity providing a relevant design service.

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<sup>1</sup> Except Embedded Generators connecting under Chapter 5.3A of the National Electricity Rules who should instead refer to Ergon Energy's Embedded Generation Information Pack available on our website.

## The Major Customer Connection Process



Details of Ergon Energy's guidelines and processes can be found on the [Major Business Connections](#) part of Ergon Energy's [website](#).

### Ergon Energy Support

Throughout the Major Customer Connection process, Ergon Energy provides, either itself or through its subcontractors, a range of services, including, but not limited to:

- the provision of general advice and specifications, including in relation to Major Customer assets etc.;
- preparation of a planning report or project scope, or provision of data to complete such a report;
- determination of indicative network charges;
- site inspection; and
- pre-application external design review and technical support.

### Fees for Services

Under the regulatory regime that applies to Ergon Energy, Ergon Energy is required to calculate charges for the services it provides in a specific manner.

Ergon Energy can provide Major Customers with a quote tailored to their needs, which will set out the elements of the services requested to be provided, and the timeframe for provision of these services.

Upon acceptance of the quote, Ergon Energy will issue an invoice that will be payable prior to the commencement of the work. Upon completion of the work, Ergon Energy will reconcile the amounts received against the amounts to which Ergon Energy is entitled to receive in accordance with the electricity laws. The parties will then make appropriate payments to each other so that Ergon Energy receives an amount from the Major Customer that is equal to the amount to which it is entitled.

For some services provided by Ergon Energy for Major Customer Connections (such as Project Scopes) Major Customers may also choose to engage a third party Service Provider. Further information on this is provided below under the heading “Choosing a Third Party Service Provider”.

## **Planning Report**

### **Outline**

A Planning Report is a high-level document which involves collecting the Major Customer’s technical requirements and reviewing these against Ergon Energy’s current electricity network configuration and capacity.

The intent of a Planning Report is to identify options to facilitate the Major Customer’s connection. Estimated costs and timeframes for each option are provided on a  $\pm 50\%$  accuracy basis, to allow the Major Customer to make a decision as to the preferred option.

Note that in some instances where projects are relatively simple (or where there is only one viable option for connection), a Planning Report may be combined with a Project Scope. Please discuss this option with your Project Sponsor.

### **Planning Reports cannot be prepared by a third party Service Provider**

The NER specifies that Ergon Energy as a DNSP has sole responsibility for the following:

- Planning for augmentation of the Shared Network (upstream works);
- Approval of design of assets that will be part of Ergon Energy’s electricity distribution network; and
- Designs of dedicated customer connection assets that are located within an Ergon Energy bulk supply or zone substation and will impact on the operation or performance of the shared electricity distribution network.

Accordingly, Ergon Energy will not allow outsourcing of this work to a third party.

### **Content of a Planning Report**

A Planning Report typically contains the following information:

- A statement of the Major Customer’s desired connection project outcomes (e.g. capability, requirements and purpose);
- An analysis of the current state of Ergon Energy’s electricity network, in particular capability in the project’s locality;
- An analysis of viable pathways which could achieve the Major Customer’s desired connection outcomes, including high level technical planning and relevant issues. Typically, a maximum of three preferred options are given to facilitate the Major Customer connection, as per Ergon Energy’s standard connection arrangements for Major Customers (as set out in Appendix 5 of the Major Customer Connection Manual);
- An outline of the relevant connection point(s) and high level components of the scope for each option, together with estimated costs and timing on a  $\pm 50\%$  basis;
- Relevant performance criteria affecting the Major Customer’s premises and connection to Ergon Energy’s electricity network (such as authorised electricity demand, power quality and other relevant technical parameters) for later insertion into a connection agreement between the parties;
- A comparison of likely connection timeframes for each option against the Major Customer’s proposed timeframe;
- A summary of relevant planning and property requirements; and
- A recommendation as to the preferred option, including relevant construction works to facilitate the connection.

Note that the estimates provided in a Planning Report are indicative, non-binding estimates that are designed only to assist the Major Customer to undertake early feasibility options analysis. These estimates will be modified upon completion of the concept design.

Further specific details on the relevant scope of work, costs and timeframes will be developed as the Major Customer progresses towards the point at which Ergon Energy issues a formal offer to connect, via a connection agreement and a construction contract (if needed).

### **Layout of a Planning Report**

Each Planning Report will vary in content according to the specific characteristics of the project. Whilst there is no mandated format for a Planning Report, it typically contains the following sections:

- Introduction
- Executive Summary
- Recommendation
- Existing network capability
- Connection Option A: Recommended Works
  - Ergon Energy Scope/Works
  - Major Customer Scope/Works
- Connection Option B: Recommended Works
  - Ergon Energy Scope/Works
  - Major Customer Scope/Works
- Other alternative or non-viable options
- Assumptions and constraints
- Issues and Risks
- Related Projects
- Requested Connection Date
- Estimates
- Operational Requirements
- Appendices – e.g.:
  - locality map and asset boundaries
  - loading curves for the relevant feeder(s)
  - fault levels
  - required feeder augmentation

Broadly, the following options for design and construction of the relevant dedicated works to facilitate the Major Customer connection may be available (depending upon the specific circumstances):

- Ergon Energy to build, own and operate;
- Major Customer to design and construct, and then and transfer assets to Ergon Energy for maintenance and operation; and
- Major Customer to build, own and operate.

Accordingly, Planning Reports must consider proposed ownership arrangements and longevity of the connection/installation, as this may impact upon the appropriate design and construction option selected.

## **Project Scope**

### **Outline**

A Project Scope comprises a concept scope and high-level initial design. The Project Scope contains a detailed review of the selected connection option from the Planning Report, and:

- defines the works that need to be accomplished to deliver the selected connection option;
- confirms the relevant standards and specifications to be used for that connection option;
- provides an estimate of the costs and relevant timeframes on a range of  $\pm 30\%$ ; and
- identifies the relevant economic regulatory classification for each component of works (works are usually classified into either Alternative Control Services (ACS) (which are typically works dedicated to the Major Customer) or Standard Control Services (SCS) (which are typically works that benefit a number of customers))<sup>2</sup>;

The identification and management of risks at this stage will help inform the Major Customer as to their likely financial responsibilities and help ensure that a commitment can be established by both parties.

As the Distribution Network Service Provider, Ergon Energy will need to approve the proposed technical, performance and operational standards of customer-owned assets prior to connection of the premises to the electricity network.

### **Project Scopes prepared by a third party Service Provider**

Where a Major Customer procures a third party Service Provider to prepare a Project Scope, the Major Customer must obtain Ergon Energy's endorsement of that Project Scope as suitable for use. A fee is usually chargeable for providing the endorsement service.

Note that any changes to a Project Scope after Ergon Energy endorsement will need to be re-endorsed.

### **Content of a Project Scope**

The Project Scope provides information on:

- Technical connection configuration and asset specifications;
- Secondary Systems assessment, including metering, protection and control systems and communications;
- Indicative non-binding cost and time estimates for the selected connection option, and an upper-bound cost plan (where relevant);
- Property information e.g. in respect of easement requirements;
- Information as to possible environmental and cultural heritage impacts;
- Required site investigations such as geotechnical assessments and surveys;
- Concept design drawings (e.g., single line diagrams, general arrangements, major block diagrams, suggested route alignments, profiles); and
- Recommendations for early procurement of long lead time items of equipment, if necessary.

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<sup>2 2</sup> Refer to Fact Sheet: [Economic Regulation and Classification of Services](#) on the [Major Business Connections](#) page of Ergon Energy's [website](#).

## **Layout of a Project Scope**

Each Project Scope will vary in content according to the characteristics of the particular project. Whilst there is no mandated format for a Project Scope, it typically contains the following sections:

- General Information
- Introduction
- Scope of Works:
  - Land or Easement Requirements
  - Specific Construction/Primary Works (Generation, Sub Transmission, Substation, Distribution Works) – including scopes of work for each of Ergon Energy and the Major Customer
  - Secondary Systems – metering, protection, control systems, communications
  - Network Switching
  - Reliability During Construction
  - Test and Commissioning
  - Ongoing Access and Maintenance
  - Project Specific Elements for Scope of Works
- Design Issues
- Safety Considerations
- Project Staging
- Scope Exclusions
- Related Projects
- Assumptions and Constraints
- Project Risks
- Estimates
- Supporting Information:
- Appendices – e.g.:
  - Locality Map and Asset Boundaries
  - Proposed Connection Configuration
  - Technical Diagrams as Needed

## **Choosing a Third Party Service Provider**

For some of the services provided by Ergon Energy (including Project Scopes), Major Customers may elect to engage a third party Service Provider to provide these services.

Note that the preparation of suitable and appropriate Project Scopes requires the Service Provider to have an extensive knowledge about electricity distribution networks. Project Scopes that contain inaccurate, incomplete or insufficient information, or that are not otherwise compliant with Ergon Energy's applicable technical requirements, may result in significant delays to this process.

Given that the preparation of such reports also requires the Service Provider to have specific information about Ergon Energy's electricity distribution network in the particular area and relevant technical requirements, any third party Service Provider will need to liaise regularly with Ergon Energy throughout the process of preparing those reports.

Ergon Energy is naturally open to working with any third party Service Providers suggested by Major Customers, provided of course that these third party Service Providers have appropriate capabilities and experience in carrying out works similar to the preparation of Project Scopes for Major Customers.

## **Works that are the Sole Responsibility of Ergon Energy**

Note that the following elements of a Project Scope may only be carried out by Ergon Energy:

- Planning for augmentation of the Shared Network (upstream works);

- Approval of design of assets that will be part of Ergon Energy's electricity distribution network;
- Designs of dedicated customer connection assets that are located within an Ergon Energy bulk supply or zone substation and will impact on the operation or performance of the shared electricity distribution network; and
- Estimation of Ergon Energy Network Charges.

## **Technical Support Documents**

Ergon Energy provides a number of construction manuals, guidelines and standards via the [Contractors and Suppliers pages](#) on Ergon Energy's website. These are divided into four primary categories, being:

- Distribution Design Contractors;
- Subtransmission Line Design and Construction;
- Zone Substation Design and Construction; and
- Testing and Commissioning.

Additionally, a [Major Customer Connection Manual](#) and a number of additional Fact Sheets are available via the [Major Business Connections](#) page on Ergon Energy's website to assist the Major Customer, including:

*▮ Fact Sheet: Economic Regulation and Classification of Services;*

*▮ Fact Sheet: Metering Installation Design;*

*▮ Fact Sheet: Tenure requirements; and*

*▮ Fact Sheet: Project Design.*

## **For Further Information**

Major Customers may contact their Project Sponsor to obtain further specific information.